GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:5094
ANSWERED ON:25.08.2000
FACILITIES TO ENTERTAINMENT SECTOR
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Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the Government propose to give incentives to entertainment industry on the lines of information technology sector;

(b) if so, the concessions at present available for entertainment sector;

(c) whether the Ministry of Information and Broadcasting has submitted aproposal to Finance Ministry for more incentives to entertainment industry during the last year;

(d) if so, the details of the proposal and main concessions sought;

(e) the number of concessions accepted by the Finance Ministry;

(f) whether these incentives have since been implemented; and
(g) if so, the details thereof and the reasons therefor?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING AND MINISTER OF STATE OF TH MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) to (g) It is the view of this Ministry that the Entertainment sector − films,television and music sectors may be given parity with the Information Technology sector as far as government benefits and initiatives are concerned in order to tap the full potential of this sector as a foreign exchange earner and in order to generate employment opportunities within the country. With this in mind, this Ministry submitted several proposals to the Ministry of Financeand in the budget for the year 2000-2001 the following benefits have been given to the entertainment sector:

1. The benefit of the Section 80HHF of the Income Tax Act, 1961which was limited to companies engaged in export of entertainment software has been extended to individuals/proprietors engaged in the export of entertainment software.

2. Basic customs duty on cinematograph cameras and other related equipment has been reduced from 40% to 25%.

3. Basic customs duty on color positive films in jumbo rolls and colour negative films in rolls of certain sizes has been reduced from 15% to 5%. Countervailing duty on these items has also been abolished.

4. The limit for submission of statements by film producers under Section 285 B of the Income Tax Act has been raised from Rs. 25,000 to Rs. 50,000 w.e.f 1.4.2001.

It is envisaged that extension of these benefits to the entertainment sector, given the growing interest in Indian entertainment products abroad, would provide this sector with an environment conducive to rapid and healthy growth.